STATE OF VERMONT		
Agency of Administration		

POLICY MANUAL **IRMAC** INFORMATION RESOURCE MANAGEMENT ADVISORY COUNCIL	ORIGINAL POLICY ADOPTED BY IRMAC DATE: 02/09/98	ORIGINAL POLICY NUMBER
	EFFECTIVE DATE 02/09/98	IDENTIFIER

STATUTORY REFERENCE OR
OTHER AUTHORITY: **IRMAC Resolution**

APPROVAL DATE: **February 9, 1998**

APPROVED BY: **IRMAC**

POLICY TITLE: **Source Code Requirements for Business Applications**

POLICY STATEMENT:

(1)   Any <u>application</u> software which is purchased to support a business, operational or service delivery activity of state government must include the licensing or ownership of the source code.   This includes applications wherein the source code has been customized prior to purchase, will be customized upon purchase, or may be customized in the future due to the unavailability of support services because of an emergency, funding shortfall, or prohibitively high cost of services.

(2)   The source code for any software product which is owned or licensed by the State of Vermont and is customized by a vendor under contract to the State, shall continue, upon customization, to be the sole property of the State of Vermont. The following exception applies:

(a)   The source code for any software product which is licensed by the State of Vermont and is customized for Vermont by the owner of the software may be subject to special arrangements for the ownership of the customized product. Not withstanding any such arrangement, the State must continue to have the right to license a copy of the customized source code.
(Note: The purpose of this paragraph is to protect partnership arrangements.)

(3)   The source code must reside in the state agency or department which supports and/or maintains the application. The source code must be available for modification and/or maintenance by state personnel at the sole discretion and option of the State. (Source code held in escrow by a third party does not meet the requirement of this policy.)

(4)   The provisions of this policy may or may not apply to applications which are Aoutsourced≅. Each instance of outsourcing will be individually evaluated.

Definitions: **Source code** is the form in which a computer program(s) is written by a programmer. Source code is written in a formal programming language which can be compiled into object code, machine code, or executed by an interpreter.

Outsourcing occurs when the state has turned over the total operation of a function, which otherwise might have been done by its own employees, to an off-site, non-state entity..